

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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: **Chapter 11**
: **Case No. 18-23538 (RDD)**
: **(Jointly Administered)**
: **Debtors.¹**
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**THIRD ORDER GRANTING APPLICATIONS OF PROFESSIONALS FOR
INTERIM ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Upon consideration of each of the applications (each, an “**Application**” and collectively, the “**Applications**”) filed by those professionals identified on **Schedule A** hereto (each, an “**Applicant**” and collectively, the “**Applicants**”) under 11 U.S.C. § 331 (with the exception of the Application of Lazard Freres & Co., LLC, which was an application for final compensation and reimbursement under 11 U.S.C. § 330) for interim allowance of compensation for professional services rendered and expenses incurred during the periods identified on **Schedule A**; and the Court having jurisdiction to consider the Applications and the relief requested

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

therein in accordance with 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Applications and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Applications and the deadline for filing objections to the relief requested therein having been provided; and the Court having found and determined that all of the applicable requirements of sections 327, 328, 330, and 331 of title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York, the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, effective February 5, 2013 (as adopted by General Order M-447), and the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (ECF No. 796) have been satisfied with respect to each of the Applications; and upon all of the responses to the Application and the record of the hearing held by the Court on January 28, 2020; and it appearing that the services rendered and expenses incurred by each of the Applicants for which compensation and reimbursement are allowed hereby were actual, reasonable and necessary; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Applications are granted as set forth on **Schedule A** hereto.
2. The Debtors are authorized and directed upon entry of this Order to remit payment to each of the Applicants in the amounts set forth on **Schedule A** hereto less all amounts previously paid on account of such fees and expenses set forth on **Schedule B**.

3. Nothing set forth in this Order shall preclude the review of the Applications by the Court-appointed independent fee examiner in these cases (the “**Fee Examiner**”) contemplated by the *Order Authorizing Appointment of Independent Fee Examiner Pursuant to 11 U.S.C. § 105(a) and Modifying Interim Compensation Procedures for Certain Professionals Employed Pursuant to 11 U.S.C. § 327* (ECF No. 3307), and the Fee Examiner hereby reserves all rights with respect thereto in connection with the approval of any final fee applications for such professional.

4. All Applications granted hereby shall be further subject to paragraph 61 of the *Order (I) Confirming Modified Second Amended Joint Chapter 11 Plan of Sears Holdings Corporation and Its Affiliated Debtors and (II) Granting Related Relief* (ECF No. 5370) (the “**Confirmation Order**”).

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: January 30, 2020
White Plains, New York

/s/Robert D. Drain
THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Schedule A

Case No. 18-23538 (RDD)
In re Sears Holdings Corporation, *et al.*

INTERIM FEE APPLICATIONS

(1) APPLICANT	(2) APPLICATION DATE AND DOCKET NO.	(3) FEE PERIOD	(4) FEES REQUESTED	(5) FEES ALLOWED	(6) FEES TO BE PAID UNDER ORDER ¹	(7) EXPENSES REQUESTED	(8) EXPENSES ALLOWED	(9) EXPENSES TO BE PAID UNDER ORDER ²
Akin Gump Strauss Hauer & Feld LLP. (Counsel for the UCC)	December 16, 2019 ECF No. 6231	07/01/19 - 10/31/19	\$5,384,047.00	\$5,384,047.00	\$5,384,047.00	\$318,470.97	\$318,470.97	\$318,470.97
Young Conaway Stargatt & Taylor, LLP (Conflicts Counsel for the Debtors)	December 16, 2019 ECF No. 6226	07/01/19 - 10/31/19	\$23,128.50	\$23,128.50	\$23,128.50	\$128.71	\$128.71	\$128.71
Houlihan Lokey Capital, Inc. (Investment Banker for the UCC)	December 16, 2019 ECF No. 6230	07/01/19 - 10/31/19	\$500,000.00	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00
FTI Consulting Inc. (Financial Advisor for the UCC)	December 16, 2019 ECF No. 6229	07/01/19 - 10/31/19	\$1,103,980.00	\$1,103,980.00	\$1,103,980.00	\$1,446.45	\$1,446.45	\$1,446.45
Prime Clerk LLC (Administrative Agent for the Debtors)	December 13, 2019 ECF No. 6214	07/01/19 - 10/31/19	\$446,260.50	\$446,260.50	\$446,260.50	\$4,801.46	\$4,801.46	\$4,801.46
Lazard Freres & Co. LLC (Investment Banker for the Debtors)	December 4, 2019 ECF No. 6138	03/01/2019 – 10/14/19	\$1,400,000.00	\$800,000.00	\$800,000.00	\$99,529.68	\$99,529.68	\$99,529.68
Alvarez & Marsal North America, LLC (Financial Advisors for the Debtors)	December 11, 2019 ECF No. 6183	07/01/19 - 9/30/19	\$6,877.50	\$6,877.50	\$6,877.50	\$12.70	\$12.70	\$12.70

¹ Subject to amounts previously paid by the Debtors.

² *Id.*

(1) APPLICANT	(2) APPLICATION DATE AND DOCKET NO.	(3) FEE PERIOD	(4) FEES REQUESTED	(5) FEES ALLOWED	(6) FEES TO BE PAID UNDER ORDER ¹	(7) EXPENSES REQUESTED	(8) EXPENSES ALLOWED	(9) EXPENSES TO BE PAID UNDER ORDER ²
Paul, Weiss, Rifkind, Wharton & Garrison LLP (Conflicts Counsel for the Debtors and Counsel for the Restructuring Subcommittee)	December 16, 2019 ECF No. 6225	07/01/19 - 10/31/19	\$536,326.00	\$536,326.00	\$536,326.00	\$276,422.10	\$276,422.10	\$276,422.10
Deloitte Tax LLP (Tax Services Provider for the Debtors)	December 04, 2019 ECF No. 6137	07/01/19 - 10/31/19	\$141,363.50	\$141,363.50	\$141,363.50	\$0.00	\$0.00	\$0.00
Deloitte & Touche LLP (Independent Auditor and Advisor for the Debtors)	December 04, 2019 ECF No. 6136	07/01/19 - 10/31/19	\$60,800.00	\$60,800.00	\$60,800.00	\$0.00	\$0.00	\$0.00
Weil, Gotshal & Manges LLP (Attorneys for the Debtors)	December 16, 2019 ECF No. 6232	07/01/19 - 10/31/19	\$10,388,784.25	\$10,388,784.25	\$10,388,784.25	\$675,032.56	\$675,032.56	\$675,032.56
Paul E. Harner and Ballard Spahr LLP (Fee Examiner and Counsel to the Fee Examiner)	December 13, 2019 ECF No. 6215	07/01/19 - 10/31/19	\$877,382.50	\$877,382.50	\$877,382.50	\$892.33	\$892.33	\$892.33
TOTAL			\$19,468,950.25	\$19,468,950.25	\$19,468,950.25	\$1,277,207.28	\$1,277,207.28	\$1,277,207.28

Dated Order Signed: January 30, 2020
Initials: RDD USBJ

Schedule B

Case No. 18-23538 (RDD)
In re Sears Holdings Corporation, *et al.*

CUMULATIVE FEE APPLICATION TOTALS OCTOBER 15, 2018 THROUGH OCTOBER 31, 2019				
(1) Applicant	(2) Total Fees Requested	(3) Total Fees Paid	(4) Total Expenses Requested	(5) Total Expenses Paid
Akin Gump Strauss Hauer & Feld LLP. (Counsel for the UCC)	\$31,434,909.50	\$30,358,100.10	\$2,461,715.80	\$2,461,715.80
Young Conaway Stargatt & Taylor, LLP (Conflicts Counsel for the Debtors)	\$362,214.00	\$354,537.10	\$3,011.82	\$2,940.52
Houlihan Lokey Capital, Inc. (Investment Banker for the UCC)	\$9,875,000.00	\$9,775,000.00	\$111,517.76	\$111,517.76
FTI Consulting Inc. (Financial Advisor for the UCC)	\$9,838,283.25	\$9,617,487.25	\$47,770.92	\$47,770.92
Prime Clerk LLC (Administrative Agent for the Debtors)	\$477,822.10	\$388,570.00	\$4,801.46	\$4,801.46
Evercore Group L.L.C. (Investment Banker for the Debtors) (“ Evercore ”) ¹	\$1,400,000.00	\$1,400,000.00	\$17,095.30	\$17,095.30
Lazard Freres & Co. LLC (Investment Banker for the Debtors) ²	\$21,300,000.00	\$21,300,000.00	\$110,924.96	\$110,924.96

¹ The relevant period for Evercore is cumulative from October 15, 2018 through July 14, 2019.

² As noted in Schedule A, the Second Interim and Final Fee Application filed by Lazard (ECF No. 6138) covers the period from March 1, 2019 through October 14, 2019.

CUMULATIVE FEE APPLICATION TOTALS
OCTOBER 15, 2018 THROUGH OCTOBER 31, 2019

(1) Applicant	(2) Total Fees Requested	(3) Total Fees Paid	(4) Total Expenses Requested	(5) Total Expenses Paid
Alvarez & Marsal North America, LLC (Financial Advisors for the Debtors) ("A&M") ³	\$4,069,634.50	\$4,068,259.00	\$25,834.41	\$25,834.41
Stout Risius Ross, LLC (Real Estate Consultant and Advisor for the Debtors) ("Stout")	\$192,695.50	\$192,695.50	\$6,960.60	\$6,960.60
Paul, Weiss, Rifkind, Wharton & Garrison LLP (Conflicts Counsel for the Debtors and Counsel for the Restructuring Subcommittee)	\$19,890,922.50	\$19,782,944.30	\$1,726,161.68	\$1,726,161.68
Deloitte Transactions and Business Analytics LLP (Bankruptcy Advisor for the Debtors)	\$7,687,123.50	\$7,687,123.50	\$362,237.05	\$362,237.05
Deloitte Tax LLP (Tax Services Provider for the Debtors)	\$4,794,412.75	\$4,653,049.25	\$83,323.28	\$83,323.28
Deloitte & Touche LLP (Independent Auditor and Advisor for the Debtors)	\$2,476,936.00	\$2,454,960.00	\$47,154.66	\$47,154.66
Weil, Gotshal & Manges LLP (Attorneys for the Debtors)	\$65,098,751.50	\$63,158,882.15	\$2,725,491.05	\$2,725,491.05

³ As noted in Schedule A, the Third Interim Fee Application filed by A&M (ECF No. 6183) covers the period from July 1, 2019 through September 30, 2019.

CUMULATIVE FEE APPLICATION TOTALS

OCTOBER 15, 2018 THROUGH OCTOBER 31, 2019

(1) Applicant	(2) Total Fees Requested	(3) Total Fees Paid	(4) Total Expenses Requested	(5) Total Expenses Paid
Paul E. Harner and Ballard Spahr LLP (Fee Examiner and Counsel to the Fee Examiner)	\$1,150,818.00	\$977,626.70	\$2,438.62	\$2,438.62

Date Order Signed January 30 2020

Initials: RDD USBJ